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FILED/ACCEPTED

October 9, 2008

OCT - 9 2008

Federal Communications Commission
Office of the Secretary

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street, SW, Room 8B201
Washington, DC 20554

Re: Universal Service Contribution Methodology
WC Docket No. 06-122
Federal-State Joint Board on Universal Service
CC Docket No. 96045
Notice of Oral Ex Parte Communications

Dear Ms. Dortch:

I am writing this letter to report that representatives of ACUTA, the Association for Information Communications Technology Professionals, an association representing more than 800 non-profit higher education institutions, met with Commission representatives on October 8, 2008 and October 9, 2008, to discuss recent proposals concerning the universal service contribution methodology. The substance of ACUTA's presentation is described in the handout that was provided to Commission participants, a copy of which is attached to this notice.

On October 8, the ACUTA representatives met with Amy Bender of Chairman Martin's office; Scott Deutchman of Commissioner Copps' office; Scott Bergmann of Commissioner Adelstein's office; Nicholas Alexander of Commissioner McDowell's office; and Jeremy Marcus, Associate Bureau Chief of the Wireline Competition Bureau; Alex Minard, Legal Counsel to the Chief of the Wireline Competition Bureau; and Carol Pomponio, Cindy Spiers and Jim Lande of the Wireline Competition Bureau. On October 9, the ACUTA representatives met with Greg Orlando of Commissioner Tate's office. ACUTA was represented at each of these meetings by Jeri Semer, the Executive Director of ACUTA, David Ostrom, from ACUTA's Regulatory/Legislative Committee, and the undersigned.

In accordance with the requirements of Section 1.1206 of the Commission's rules, an original and three copies of this notice are being filed on the business day following the meetings and a copies of this notice are being provided to the Commission participants.

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List Attached

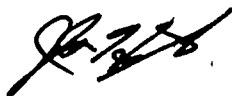
Marlene H. Dortch, Esq.

October 9, 2008

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Please inform me if any questions should arise in connection with this notice.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J.G. Harrington', with a stylized flourish at the end.

J.G. Harrington

Counsel to ACUTA

JGH/vll

Enclosure

cc (w/o enc.): Amy Bender
Scott Deutchman
Scott Bergmann
Greg Orlando
Nicholas Alexander
Jeremy Marcus
Alex Minard
Carol Pomponio
Cindy Spiers
Jim Lande



UNIVERSAL SERVICE CONTRIBUTION ISSUES
WC DOCKET NO. 06-122 AND CC DOCKET NO. 96-45
OCTOBER 8, 2008

ACUTA, the Association for Information Communications Technology Professionals in Higher Education, has a strong interest in the Commission's pending consideration of modifications to the contribution methodology for the federal universal service fund. ACUTA members represent more than 800 institutions of higher learning, ranging from some of the smallest colleges to some of the largest universities in the United States, spread across the entire country, in urban, suburban and rural locations.

- **Significant users:** Colleges and universities are significant consumers of telecommunications services. In addition to traditional telephone service for students, faculty, staff and administration, colleges and universities purchase sophisticated, high-capacity services to meet their needs. As a result, colleges and universities also already make significant contributions to the federal universal service fund. A recent analysis of typical contributions shows that the average ACUTA member contributes more than \$13,000 a year, and some members contribute much more than that. Based on that analysis, colleges and universities collectively contribute close to \$60 million every year to the federal universal service fund.
- **Relatively minor consumers of interstate services:** Colleges and universities, by comparison to other large users, use a disproportionately small amount of interstate telephone service and, specifically, much less interstate long distance service than an average large telephone customer. This is true whether usage is measured by volume or by the amount paid for service.
- **Numbers-based contributions impose significant new costs:** Changing the current universal service contribution system to a system based purely on telephone numbers would increase the typical contribution for an ACUTA member from about \$13,000 annually to about \$100,000 a year if the contribution were set at \$1.00 per number per month, close to eight times the current contribution level. This would increase the collective level of college and university contributions to \$465 million.
- **Difficult to recover additional costs:** Colleges and universities have only a limited ability to ameliorate or recover additional universal service costs, particularly in the case of state colleges and universities, which already are facing cuts in funding in the current economic environment. Given the current competitive environment for admissions and recent Congressional action seeking to limit tuition costs, tuition increases to recover these costs would be problematic.
- **Numbers-based contributions likely counterproductive:** Adopting a numbers-based contribution system would result in changes in how colleges and universities consume telecommunications services.
 - ◆ They would eliminate DID numbers and Centrex lines in favor of a general number and internal extensions.

- ◆ They would reduce the number of on-campus telephones in dormitories and other buildings, as well as *outdoor locations like bus shelters*.
- ◆ They likely would reduce telephone numbers held for aging purposes or growth or to avoid confusion from misdialing, and separate numbers assigned to assist in pinpointing the location of the caller for calls to 911.

These changes would result in lower efficiency and could pose potential risks to student, faculty and staff safety. It is likely that other large consumers of telephone numbers would take similar steps, which would shift the burden of universal service support from businesses and other large users to consumers and small businesses. Moreover, the proposal would force telecommunications consumers to make decisions about the service they buy based on regulatory requirements rather than marketplace considerations like price of service and the ability of specific services to meet users' needs.

➤ **Other options are available:**

- ◆ *Alternative contribution methodology for multi-line customers:* Parties in this proceeding have suggested that, in lieu of a pure numbers-based system for contributions from commercial customers, the Commission could adopt rules that base contributions on number equivalencies, such as a 9:1 ratio for Centrex lines, a 5:1 ratio for ISDN-PRI lines and treating each PBX trunk as a telephone number. ACUTA's analysis suggests that this would result in its members paying contributions that are roughly equivalent to what they pay today. Similar approaches have been used in other contexts, such as in setting subscriber line charges for commercial users. If the Commission adopts such an approach, it should consider conducting an independent analysis of the appropriate ratios for these types of service.
- ◆ *Contributions based on working, not assigned, numbers:* Colleges and universities often have significantly larger bases of assigned numbers than working numbers. This can occur, for instance, when an institution is assigned an entire NXX for convenience of the institution and the carrier. In one case, an ACUTA member reports that it has been assigned 22,000 DID numbers, but actually has 6,000 working numbers. Consequently, contributions based on assigned numbers would be considerably larger than contributions based on working numbers. If a numbers-based system is adopted, carriers should be required to seek data from their customers as to how many assigned numbers actually are in use, and incorporate this information into their reporting and their pass-throughs of universal service contributions.